Influence of Competitive Priorities Strategy on Organizational Performance of Cement Manufacturing Firms in Kenya

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Abstract

Purpose: The study sought to assess the influence of competitive priorities strategy on organizational performance of cement manufacturing firms in Kenya.

Methodology: The study adopted the positivism research philosophy and the concurrent triangulation research design. The target population consisted of eight cement production companies located in the counties of Kisumu, Nairobi, Mombasa, Machakos, Nakuru, and Kajiado were the subject of the study. The study purposely excluded Savannah Cement Limited from the main study since it had been “temporarily” shut down at the time of data collection due to financial and ownership wrangles. Census sampling method and proportional stratified random sampling were used to select 365 employees which included 37 managers, 322 non-managers and 6 CEOs. Both primary and secondary sources were used to gather data for this study, and both quantitative and qualitative data gathering techniques were employed. The qualitative data was analyzed using content analysis technique (Hsieh & Shannon, 2015), while the quantitative data was analyzed using MS Excel 2016 and IBM’s SPSS version 28.

Findings: the study results indicated that competitive priorities strategies is an operational strategy that is often utilized by the cement manufacturing firms to improve their organizational performance. This was supported by the high level of agreement in all statement by most of the respondents. The study also concluded that competitive priorities strategies had a positive and significant relationship with organizational performance of cement manufacturing firms in Kenya. The regression results led to the rejection of the null hypothesis, thus adopting the alternative hypothesis; competitive priorities strategy has a significant influence on organizational performance of cement manufacturing firms in Kenya.

Unique Contribution to Theory, Practice and Policy: The theory used in this study advocated for the need of cement manufacturing firms in Kenya, to focus on identifying strategic resources that are critical for success and improved performance of the industry. Hence, the theory will also be applicable to other studies with such related research topics. The study recommended that the management of cement manufacturing firms in Kenya should invest more in automated systems especially in production and delivery so as to increase their production, operational and supply-chain efficiency. They should also invest in better training programs so as to equip their employees with the necessary skills needed to improve their work efficiency. Moreover, policymakers should also formulate better policies to enhance the competitiveness between manufacturing firms in Kenya.

Keywords: Competitive Priorities Strategy, Organizational Performance, Cement Manufacturing Firms

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INTRODUCTION

Cement is a key construction material used throughout the world as a binding agent in concrete and mortar. Concrete, the most commonly used construction material in the world, is made by combining cement, water, and coarse aggregates like stone and gravel. According to Schneider, et al. (2011), cement will continue to be the primary material used to meet the world's housing and infrastructure needs. With the recent trend of rising urbanization across the globe, both the cement and construction industry shall continue to play a pivotal role. The world consumes over 4 billion tons of cement annually. The cement sector has a large economic impact due to its long and diverse supply chain and it contributes 5.4 percent of global gross domestic product (GDP) and 7.7 % of world employment CemNet. (2020).

According to the Statista Magazine (2023), the total volume of cement production worldwide amounted to an estimated 4.1 billion tons in 2022. Six major cement companies [Lafarge (France), Cemex (Mexico), Holcim (Swiss), Heidelberg Cession (Germany), Taiheiyo Cession (Japan), and Italcementi (Italy)] are currently controlling a huge chunk of the market around the world, and have recently formed a huge market with the merger of Holcim and Lafarge. The French-based company accounts for 5.5 % of the world's cement market share and is the world's largest producer of cement, running 117 plants in 43 countries (ECA, 2017). The global cement market is projected to grow from $340.61 billion in 2022 to $481.73 billion by 2029, at a Compound Annual Growth Rate (CAGR) of 5.1% in forecast period, 2022-2029 (GCM, 2022).

Different countries have varying production capacities. According to the International Cement Review (2018), China produces the most cement globally by a large margin, at an estimated 2.5 billion metric tons in 2021. China's cement production share equates to over half of the world's cement (International Cement Review, 2018). Cement production capacity in China has been over 2,500 million metric tons per year according to the International Cement Review (2018). In Africa, cement production capacity has significantly increased from 262.0 Mt/a in 2014 to 386.1 Mt/a in 2020 which is an increase of 124.1 Mt/a. Accordingly, the cement capacity utilization in Africa has decreased from 70.0% in 2014 to 55.1% in 2020, but is projected to increase in the next few years. The demand for cement and other building materials in Africa, particularly south of the Sahara, continued mostly to develop positively in 2020 despite the Covid-19 pandemic. In 2020, the Top 10 cement producers accounted for 73.3% of the cement production and 73.8% of the cement capacity in Africa and are home to 53.7% of the population.

Kenya has a population of 53.5 million. Over the last ten years, Kenya has introduced important reforms to transform the country into “a newly industrializing, middle-income country” by the year 2030. According to the KNBS economic survey (2022), Kenya’s cement output and usage have both been on the rise in the recent years due to a surge in governments heavy infrastructural investments involving use of cement like roads, bridges, dams, among others. Cement production increased from 5.97 Mt/a in 2019 to 6.55 Mt/a in 2020. The PCC stands at 147 kg. A cement capacity of 11.3 Mt/a results in a capacity utilization rate of 58.0%, which is above the African average. The construction sector in Kenya recorded stellar performance, registering a growth of 11.8% in 2020 compared to 5.6% in 2019. Cement consumption registered a year-on-year growth of 20.3%, presenting quick win opportunities.
Competitive Priorities Strategies

Competitive priorities have been named in different ways by a number of researchers. Slack and Lewis (2011) indicated that they are serious success elements and defines competitive priorities as scarce resources that are crucial to a firm’s ability to accomplish its mission. Additionally, according to Hallgren (2010), competitive priorities are key success features (KSF), and they view them as a crucial part of management information systems, a unique quality of a company, an empirical platform for managers to advance their knowledge, and a representation of the top abilities and assets necessary to succeed in a particular market.

Competitive priorities also involve the firm giving first hand attention to cost, delivery channels and quality prioritization in their manufacturing processes. Abdulkareem et al. (2013) are of the argument that competitive priorities are extents that a company’s production systems need to possess in order to support demands of the marketplaces where the firm is in competition. The model has been criticized in its content, according to Ketema (2015), arguing that various organizations use varied strategies that differing firms compete on, at their decision areas, and hence the simple model may not work in all manufacturing set-ups. Though, there are many competitive priorities which are offered in operations strategy writings, being able to identify the broadly acknowledged competitive priorities is costly affair. Further, Abdulkareem, Adel and Anchor (2013) are of the argument that competitive priorities are priorities that a company’s production systems need to possess in order to support demands of the marketplaces where the firm is in competition. Felipe and Marcia (2014) are of the view that competitive priorities strategy are also associated to plans and goalmouths for using possessions of a firm.

Organizational Performance

Alaaraj et al. (2018) define organizational performance as a mix of financial and non-financial measurements that demonstrate the extent to which objectives and results have been attained. Organizational performance is defined by Ricardo (2001) as the capacity of the organization to realize its aims and objectives. According to Mwanyika (2017), organizational performance serves as the extent of an organization's success Since it is necessary for developing, implementing, and evaluating a strategic plan as well as deciding the future's trajectory. Many studies in the management literature highlight the significance of organizational performance (Teeratansirikool et al., 2013).

According to Javier (2002), an organization's performance is comparable to the well-known 3Es (economy, efficiency, and effectiveness) of a particular program or activity. As a result, an organization's performance level is dictated by its capacity to make prudent use of the finances and other resources available while paying proper attention to efficiency, effectiveness, and economy (Spekle & Verbeeten, 2014; Verbeeten, 2008). Value for money (VFM) is a goal that assists an organization in operating effectively and efficiently. Additionally, it is essential for creating consumer contentment as well as building successful and long-lasting businesses. So, it is believed that the three E’s have a substantial influence on organizational success in any manufacturing business. Notably, when an organization is effective, efficient, and economical, success is evident. As a result, combining all three factors is necessary for success because doing so reveals an entity's performance level. To achieve efficiency, either a certain number of resources is used with the intention of producing the maximum level of results, or a smaller number of resources are used overall to produce a particular outcome.
Despite the fact that there is no general consensus in the literature on the criteria to be used to assess performance, the justifiability of these various approaches to measuring organizational performance depends critically on whether the particular measures used meet the theoretical, statistical, and psychometric assumptions made by the organization. As outlined in the problem statement, the current study is about capacity problems and thin profit margins experienced by cement firms in Kenya where price leadership strategy has little or no effect. The dependent variables for this study are therefore derived from Mouzas (2006)' assertion that is; efficiency and effectiveness.

**Statement of the Problem**

In Kenya, the cement market growth is largely attributed to infrastructure investments and recovery in construction activities in the individual house builders’ segment (Bamburi Cement Annual Report, 2021). The (KNBS, Economic Survey, 2022) states that In 2021, the manufacturing industry in Kenya contributed 7.2 percent of the GDP, with the cement subsector being one of the main drivers of this expansion. An analysis by Kiilu (2018) indicates that Kenya’s cement consumption has continuously experienced a compound growth rate of 13.4% between 2010 and 2015. However, research by Anyanzwa (2021) states that Kenya's cement industry is currently dealing with a clinker shortage of roughly 3.3 million tons, with Egypt supplying for 59 percent of the country's deficit, duty free. Notably, with cement plants working at 65 percent of their installed capacity, there was a supply of 3.8 million tons of domestically manufactured clinker, the raw material used to make cement, in the financial year 2020 compared to a demand of 5.3 million tons.

Despite the strong growth prospects, Kenya still has low cement per capita consumption averaging at 147Kgs compared to the global average of about 510Kgs (GCM, 2021). Hence the opportunities within the industry are still immense. Given the cut throat competition in the sector and the accessibility to cheap imports, resulting to thin margins, cement firms in Kenya may not resort to increase price of the commodity to match the general inflation level in the country which stood at 7.1 per cent in May 2022. According to the Economic Review Magazine (2022), the average price of a 50kg bag of cement retailed at between Ksh 611 in 2017 and Ksh 648 in 2021. Therefore, the prices have generally remained unchanged for a long time.

This tallies with the findings by Kasongo & Misango (2019) that achieving organizational performance is not significantly impacted by cost leadership strategy. According to Porter (1985), managers should develop strategies at different levels after analyzing the market and the external environment in order to have competitive advantage. Using a competitive lens, research by Mbeche and Nyamwange (2004) evaluated the operational strategies used by major manufacturing companies in Kenya. According to the study's findings, operations served as the foundation for competitiveness as a means of staying afloat. In response to this, manufacturing firms have adopted operations strategies at all levels in order to remain in business. This research sought to determine how competitive priorities operational strategy influence the organizational performance of Kenyan cement manufacturing enterprises from an efficiency and effectiveness standpoint.

**Objective of the Study**

The study aimed at achieving the following objective;

i) To assess the influence of competitive priorities strategy on organizational performance of cement manufacturing firms in Kenya.
Theoretical Framework

Resource View Theory

The Resource Based Viewpoint is perhaps one of the most often cited theories in management and performance literature. The proponent of this theory according to Munyoki, C. (2015), is Penrose (1959). The Resource-Based Perspective, in his opinion, gave the company its initial insights into its resource viewpoint. It seeks to identify internal factors that contribute to a company's sustained competitive advantage (SCA). A firm must obtain and maintain ownership over valuable, rare, unique, and non-substitutable (VRIN) resources in order to maintain a particular level of sustained competitive advantage, and this is the basic tenet behind the RBV theory. The theory attempts to respond to the query. “How can organizations achieve competitive advantage over other industry players and enhance their organizational performance?” (Ahmed et al., 2018). According to the Resource Based View, an organization is thought to possess a variety of institutional resources, such as assets, capabilities, processes, management competencies, technical resources, and knowledge resources (Barney, 1991).

Essentially, a company's valuable, unique, and irreplaceable resources have an impact on the markets it chooses to enter and the possible profits it can anticipate (Wernerfelt, 1984). Cement firms’ capacity to deploy and organize various resources at their disposal, integrated into daily operations, is a determinant of their ability to build and safeguard strategic capabilities (Brown & Squire, 2016). Accordingly, the performance of cement companies and their long-term growth and development are guaranteed by the success of creating and employing strategic resources. Due to the fierce industry rivalry, perceived ineffectiveness of cost leadership approach, and underutilization of capacity, the Kenyan cement businesses are under pressure to deliver. Resource availability and utilization are necessary for them to do so.

The resource-based approach, in particular, helps in analyzing how internal resources and competencies contribute to competitive advantage and hence has attracted many operations strategy scholars in recent years. The Resource Based View theory therefore aided the current study in examining whether the resources are adequate or not and in optimizing their utilization. The current study further hypothesized that cement firms might require leadership that understands the value of gaining, cultivating, and retaining operations capabilities in order to exploit these strategic competencies to gain a competitive edge.

Review of Related Studies

A study by Abdulkareem (2013) examined the affiliation amid competitive priorities and competitive advantages of enterprises in Jordan and Qatar. Eighty-eight registered Jordan manufacturing firms had been targeted in the study. A structured questionnaire and a cross-sectional study design were utilized to gather the data. The study revealed that competitive priorities had a seventy-seven-point five percent effect on competitive advantage of production companies. In a regression analysis, each competitive priority was significantly positively correlated with the regressor variable, with standardized coefficients of 0.568.

Further, quality is the most crucial component of competitiveness for conventional manufacturing enterprises, according to a study by Sohel and Roger (2013). Both the study by Ketema (2015) and the study by Abdulkareem et al. (2013) reached similar conclusions. It was found that the performance of manufacturing organizations as well as decisions about structures and infrastructure were significantly influenced by competitive priorities. The study took into account many aspects of competitive priorities and came to the conclusion that
manufacturing firms rated quality as their top priority in terms of competitiveness. Abdulkareem, Adel and Anchor (2013) are of the argument that competitive priorities are priorities that a company’s production systems need to possess in order to support demands of the marketplaces where the firm is in competition. Felipe and Marcia (2014) are of the view that competitive priorities strategy as associated to plans and goalmouths for using possessions of a firm. On the other hand, grouping of competitive priorities has been changing over time according to Sciuto and Filho (2013).

The current study sought to examine the four acknowledged manufacturing competitive priorities in accordance with various scholars: (Odollo 2019; Suzana & Harvey, 2014; Ketema, 2015; Sanders, 2014; Sohel, 2013; Hallgren, 2010; Sciuto, 2013; Slack & Lewis, 2011). All identify cost, delivery, quality and flexibility as the most widely accepted competitive priorities. The current research seeks to analyse influence of competitive priorities strategy on performance of cement manufacturing firms in Kenya from this perspective.

METHODOLOGY

Positivism research philosophy was used mainly because it permits the usage of semi-structured questionnaire, large samples and facilitates application of quantitative method (Creswell, 2016). The positivism philosophy, which underpins the current inquiry, is based on theories that are put to use to create tested hypotheses that offer statistical support for the conclusions drawn from the empirically testable hypotheses. Furthermore, concurrent triangulation was used in the study's research design. Concurrent triangulation research design was also employed as it permits a study to make use of quantitative and qualitative techniques concurrently Creswell (2016. Tests of validity and reliability were then carried out to assess the accuracy and consistency of the data collection tool, which is a questionnaire in this case. The study was conducted in the Kenyan cement industry. The target population consisted of eight cement production companies located in the counties of Kisumu, Nairobi, Mombasa, Machakos, Nakuru, and Kajiado were the subject of the study. The study purposely excluded Savannah Cement Limited from the main study since it had been “temporarily” shut down at the time of data collection due to financial and ownership wrangles. Census sampling method and proportional stratified random sampling were used to select 365 employees which included 37 managers, 322 non-managers and 6 CEOs. Both primary and secondary sources were used to gather data for this study, and both quantitative and qualitative data gathering techniques were employed. The qualitative data was analyzed using content analysis technique (Hsieh & Shannon, 2015), while the quantitative data was analyzed using MS Excel 2016 and IBM's SPSS version 28.

FINDINGS AND DISCUSSIONS

Response Rate

The questionnaires were distributed to a total of 359 respondents which was the targeted sample for managers and non-managers in this study. Out of the 359 questionnaires, 258 questionnaires were properly filled, returned and found suitable for analysis, while 101 questionnaires were not returned. This represented a response rate of 71.87% of the questionnaires used for analysis and 28.13% of questionnaires that were not returned. These findings were also in agreement with those of the study by Kartono and Rusilowati (2019) noted that a response rate of above 50% is adequate for a descriptive study and acceptable for analysis and publication, while responses above 60% are considered excellent.
Table 1: Response Rate

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned Questionnaires</td>
<td>258</td>
<td>71.87</td>
</tr>
<tr>
<td>Unreturned Questionnaires</td>
<td>101</td>
<td>28.13</td>
</tr>
<tr>
<td>Total</td>
<td>359</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher (2023)

Descriptive Statistics for Competitive Priority Strategy Performance

The goal of the research was to analyse the influence of competitive priorities strategy on organizational performance of cement manufacturing firms in Kenya. Respondents were asked to indicate their level of agreement with the following statement in regard to competitive priorities strategy. The findings were presented in table 2.

Table 2: Competitive Priorities Strategy

<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Moderately agree</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm has put considerable effort into controlling production cost.</td>
<td>8.53%</td>
<td>12.40%</td>
<td>13.95%</td>
<td>37.21%</td>
<td>27.91%</td>
<td>3.64</td>
<td>1.25</td>
</tr>
<tr>
<td>The firm has been reducing labour costs in the last seven years.</td>
<td>3.49%</td>
<td>11.63%</td>
<td>16.28%</td>
<td>37.98%</td>
<td>30.62%</td>
<td>3.81</td>
<td>1.1</td>
</tr>
<tr>
<td>The firm has had lower manufacturing costs per unit in the last seven years.</td>
<td>3.49%</td>
<td>6.98%</td>
<td>13.95%</td>
<td>43.80%</td>
<td>31.78%</td>
<td>3.93</td>
<td>1.02</td>
</tr>
<tr>
<td>There is a system of delivery where the products are delivered to our customers on-time.</td>
<td>2.71%</td>
<td>11.59%</td>
<td>23.99%</td>
<td>34.19%</td>
<td>27.52%</td>
<td>3.87</td>
<td>1.98</td>
</tr>
<tr>
<td>There is a system of delivery where we can deliver products to the customers on short notice.</td>
<td>3.88%</td>
<td>7.36%</td>
<td>16.67%</td>
<td>39.53%</td>
<td>32.56%</td>
<td>3.9</td>
<td>1.06</td>
</tr>
<tr>
<td>The order queuing periods are highly reduced.</td>
<td>5.43%</td>
<td>8.91%</td>
<td>17.83%</td>
<td>40.31%</td>
<td>27.52%</td>
<td>3.76</td>
<td>1.12</td>
</tr>
<tr>
<td>There are already set standards for products which must be met at every stage of production.</td>
<td>8.14%</td>
<td>15.12%</td>
<td>13.57%</td>
<td>34.50%</td>
<td>28.68%</td>
<td>3.6</td>
<td>1.27</td>
</tr>
<tr>
<td>There is always consistency in the production process that ensures quality consistent with low defect rates.</td>
<td>6.20%</td>
<td>13.18%</td>
<td>17.44%</td>
<td>31.78%</td>
<td>31.40%</td>
<td>3.69</td>
<td>1.22</td>
</tr>
<tr>
<td>There is efficient handling of customers feedbacks and complaints.</td>
<td>7.75%</td>
<td>13.18%</td>
<td>13.18%</td>
<td>34.11%</td>
<td>31.78%</td>
<td>3.69</td>
<td>1.26</td>
</tr>
<tr>
<td>The firm is able to offer a broad product line.</td>
<td>7.36%</td>
<td>10.47%</td>
<td>14.34%</td>
<td>36.05%</td>
<td>31.78%</td>
<td>3.74</td>
<td>1.22</td>
</tr>
<tr>
<td>The firm is able to quickly respond to new market demands.</td>
<td>2.33%</td>
<td>7.75%</td>
<td>20.16%</td>
<td>37.98%</td>
<td>31.78%</td>
<td>3.89</td>
<td>1.02</td>
</tr>
<tr>
<td>Resources are deployed in response to changes in technology.</td>
<td>7.75%</td>
<td>8.14%</td>
<td>17.83%</td>
<td>33.72%</td>
<td>32.56%</td>
<td>3.75</td>
<td>1.21</td>
</tr>
<tr>
<td>Overall Mean</td>
<td>3.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.14</td>
</tr>
</tbody>
</table>

Source: Researcher (2023)
The results in table 2 revealed that 8.53% of the respondents strongly disagreed with the statement that the firm has put considerable effort into controlling production cost and 12.40% also disagreed with the statement. On the other hand, 13.95% moderately agreed, 37.21% agreed and 27.91% strongly agreed with the statement. The mean of the responses was 3.64 implying that majority of the respondents (79.07%) agreed with the first statement on competitive priorities strategy and their responses were varied as shown by the standard deviation of 1.25.

The findings also showed that 3.49% of the respondents strongly disagreed with the statement that the firm has been reducing labour costs in the last seven years. 11.63% disagreed, 16.28% moderately agreed, 37.98% agreed and 30.62% strongly agreed with the statement. The mean of the responses was 3.81 which meant that the highest percentage of the respondents (84.88%) agreed with the second statement and their opinions were moderately varied as shown by the S.D of 1.1.

The results also found that 3.49% of the respondents strongly disagreed and 6.98% disagreed with the statement that the firm has had lower manufacturing costs per unit in the last seven years. Whereas, 13.95% of the respondents moderately agreed, 43.80% agreed and 31.78% strongly agreed with the statement. The mean of the responses was 3.93 showing that most of the respondents (89.53%) agreed with the third statement and their responses were barely varied as shown by the standard deviation of 1.02.

Moreover, the findings of the study indicated that 2.71% of the respondents strongly disagreed and 11.59% disagreed with the statement that there is a system of delivery where the products are delivered to our customers on-time. On the other hand, 23.99% moderately agreed, 34.19% agreed and 27.52% strongly agreed with the statement. The mean of 3.87 also revealed that majority of the respondents (85.7%) agreed with the fourth statement and their opinions were significantly varied as shown by the S.D of 1.98.

These findings also showed that 3.88% of the respondents strongly disagreed and 7.36% disagreed with the statement that there is a system of delivery where we can deliver products to the customers on short notice. 16.67% moderately agreed, 39.53% agreed and 32.56% strongly agreed with the statement. The mean of 3.9 implied that the highest percentage of the respondents (88.76%) agreed with the fifth statement and their responses were moderately varied by the S.D of 1.06.

The findings also revealed that 5.43% of the respondents strongly disagreed and 8.91% disagreed with the statement that the order queueing periods are highly reduced. While 17.83% moderately agreed, 40.31% agreed and 27.52% strongly agreed with the statement. As observed, it can be noted that majority of the respondents (85.66%) agreed with the sixth statement and this is also supported by the mean of 3.76. The standard deviation of 1.12 also indicated that their responses were varied.

Additionally, the results found that 8.14% of the respondents strongly disagreed and 15.12% disagreed with the statement that there are already set standards for products which must be met at every stage of production. 13.57% moderately agreed, 34.50% agreed and 28.68% strongly agreed with the statement. The mean of 3.6 indicated that most of the respondents (76.75%) agreed with the seventh statement and their responses were varied as shown by the standard deviation of 1.27.
The results also showed that 6.20% of the respondents strongly disagreed and 13.18% disagree with the statement that there is always consistency in the production process that ensures quality consistent with low defect rates. On the other hand, 17.44% moderately agreed, 31.78% agreed and 31.40% strongly agreed with the statement. The mean of the responses was 3.69 implying that the highest percentage of the respondents (80.62%) agreed with the eighth statement and their opinions were varied as shown by the standard deviation of 1.22.

The findings also noted that 7.75% of the respondents strongly disagreed and 13.18% disagreed with the statement that there is efficient handling of customers’ feedback and complaints. 13.18% moderately agreed, 34.11% agreed and 31.78% strongly agreed with the statement. As observed, it can be noted that majority of the respondents (79.07%) agreed with the ninth statement and this is also supported by the mean of 3.69. The standard deviation of 1.26 also showed that their opinions were varied.

Further, it was also observed that 7.36% of the respondents strongly disagreed and 10.47% disagreed with the statement that the firm is able to offer a broad product line. 14.34% moderately agreed, 36.05% agreed and 31.78% strongly agreed with the statement. The mean of the responses was 3.74 which meant that most of the respondents (82.17%) agreed with the tenth statement and the responses were differentiated as shown by the standard deviation of 1.22.

The findings also revealed that 2.33% of the respondents strongly disagreed and 7.75% disagreed with the statement that the firm is able to quickly respond to new market demands. 20.16% moderately agreed, 37.98% agreed and 31.78% strongly agreed with the statement. The mean of 3.89 showed that the highest percentage of the respondents (89.92%) agreed with the eleventh statement and their opinions were varied as indicated by the standard deviation of 1.02.

The results also found that 7.75% of the respondents strongly disagreed and 8.14% disagreed with the statement that resources are deployed in response to changes in technology. 17.83% moderately agreed, 33.72% agreed and 32.56% strongly agreed with the statement. The mean of 3.75 implied that majority of the respondents (84.11%) agreed with the twelfth statement and the responses were varied as shown by the standard deviation of 1.21.

On the other hand, the respondents were also asked to indicate the extent to which their firm have made improvements in specific areas regarding competitive priorities strategy. They were also requested to use the scale of: 1= 1-3%, 2= 4-6%, 3= 7-9%, 4= 10-12%, 5= Over 12% to show their level of agreed with the statements.

**Table 3: Competitive Priorities Strategy**

<table>
<thead>
<tr>
<th>Variables</th>
<th>1-3%</th>
<th>4-6%</th>
<th>7-9%</th>
<th>10-12%</th>
<th>Over 12%</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall cost improvement</td>
<td>13.18%</td>
<td>14.34%</td>
<td>17.05%</td>
<td>29.07%</td>
<td>26.36%</td>
<td>3.41%</td>
<td>1.36</td>
</tr>
<tr>
<td>Delivery improvement/ prioritization</td>
<td>17.44%</td>
<td>13.57%</td>
<td>13.57%</td>
<td>24.42%</td>
<td>31.01%</td>
<td>3.38%</td>
<td>1.48</td>
</tr>
<tr>
<td>Quality improvement</td>
<td>15.50%</td>
<td>13.57%</td>
<td>16.28%</td>
<td>31.01%</td>
<td>23.64%</td>
<td>3.34%</td>
<td>1.38</td>
</tr>
<tr>
<td>Increased Flexibility</td>
<td>13.18%</td>
<td>15.12%</td>
<td>16.28%</td>
<td>27.52%</td>
<td>27.91%</td>
<td>3.42%</td>
<td>1.38</td>
</tr>
<tr>
<td><strong>Overall Mean</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>3.39</strong></td>
<td><strong>1.40</strong></td>
</tr>
</tbody>
</table>

*Source: Researcher (2023)*
The findings from table 3 revealed that 13.18% of the respondents indicated that their firms have experienced an overall cost improvement of between 1-3%, 14.34% had an overall cost improvement of between 4-6%, 17.05% had an overall cost improvement of between 7-9%, 29.07% had an overall cost improvement of between 10-12% and 26.36% had an overall cost improvement of over 12%. The mean of 3.41 showed that most of the respondents’ firms (72.48%) have experienced high levels of improvement in their overall cost and their responses were varied as shown by the standard deviation of 1.36.

In addition, 17.44% of the respondents revealed that their firms have encountered delivery improvement of between 1-3%, 13.57% had a delivery improvement of between 4-6%, 13.57% had a delivery improvement of between 7-9%, 24.42% had a delivery improvement of between 10-12% and 31.01% had a delivery improvement of over 12%. The mean of the responses was 3.38 implying that majority of the respondents’ firms (69%) have experienced high levels of improvement in delivery and their opinions were different as shown by the standard deviation of 1.38.

The results also found that 15.50% of the respondents indicated that their firms have experienced quality improvement of between 1-3%, 13.57% had quality improvement of between 4-6%, 16.28% had quality improvement of between 7-9%, 31.01% had quality improvement of between 10-12% and 23.64% had quality improvement of over 12%. The mean of 3.34 also revealed that majority of the respondents’ firms (70.93%) have experienced high levels of improvement in quality and their responses were varied as shown by the standard deviation of 1.42.

The findings also showed that 13.18% of the respondents revealed that their firms have encountered increased flexibility of between 1-3%, 15.12% had increased flexibility of between 4-6%, 16.28% had increased flexibility of between 7-9%, 27.52% had increased flexibility of between 10-12% and 27.91% had increased flexibility of over 12%. The mean of the responses was 3.42 indicating that most of the respondents’ firms (71.71%) have experienced high levels of increased flexibility and their opinions were different as shown by the standard deviation of 1.38.

Further, the findings from the qualitative analysis of the responses obtained from the interview guide for the CEOs revealed that:

“The use of modern technology and taking advantage of economies of scale are one of the competitive priorities strategies employed by the firm. Implementation of these strategies has helped the firm to reduce the general operation costs, improve quality of its products and organizational performance.” (Respondent 1)

“Competitive priorities ‘strategies’ adopted by the firm include: product innovation ‘and’ use of modern delivery systems. Implementation of these strategies has led to delivery process improvement and quality improvement which, in turn has increased organizational performance.” (Respondent 2)

“Competitive priorities strategy used by the firm include; use of better marketing strategies and improved supply-chain practices. This has had a positive impact on organizational performance especially in increased sales turnover and customer satisfaction.” (Respondent 3)

“Competitive priorities strategy utilized by the firm include; use of improved operations machines and increased marketing strategies. This has ensured increased flexibility in operation processes and reduced labour costs.” (Respondent 4)
These findings concurred with those of Klaus and Charlotte (2015) who argued that competitive priorities are key success features (KSF), and are crucial part of management information systems, unique quality of a company, an empirical platform for managers to advance their knowledge, and a representation of the top abilities and assets necessary to succeed in a particular market. In addition, Abdulkareem, Adel and Anchor (2013) also explained that competitive priorities are priorities that a company’s production systems need to possess in order to support demands of the marketplaces where the firm is in competition.

Regression Results of Competitive Priorities Strategy and Organizational Performance

The regression analysis comprised of generating the model summary, Analysis of Variance (ANOVA) and regression coefficients tables and interpreting their results.

**Table 4: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.886a</td>
<td>0.618</td>
<td>0.616</td>
<td>0.192432</td>
</tr>
</tbody>
</table>

* a Predictors: (Constant), Av_competitive priorities strategy

**Source:** Researcher (2023)

The model summary was used to determine the amount of variation in the dependent variable that could be explained by changes in the independent variable. The results of the model summary indicated that competitive priorities strategy explains 61.8% of the variations in organizational performance. This is supported by the coefficient of determination (R-square) of 0.618. This also implied that competitive priorities strategy was a satisfactory variable in explaining organizational performance of cement manufacturing firms in Kenya. In addition, the model applied to show the relationship between competitive priorities strategy and organizational performance was suitable.

**Table 5: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>15.325</td>
<td>1</td>
<td>15.325</td>
<td>413.862</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>9.48</td>
<td>256</td>
<td>0.037</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>24.805</td>
<td></td>
<td>257</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Source: Researcher (2023)

ANOVA was used to test the significance of the model where the study used the 95% confidence interval to test the significance of the model. The results of the ANOVA revealed that the overall model of regression was statistically significant and competitive priorities strategy was a good predictor of organizational performance. This was according to the calculated F statistic of 413.862 and the reported p-value of (0.000) which was less than 0.05 significance level.
The findings of the regression coefficients showed that competitive priorities strategy had a positive and significant influence on organizational performance ($\beta=0.197$, $p=0.000$). This implied that a unit increase in competitive priorities strategy leads to a corresponding increase in organizational performance by 0.197 units. Based on the findings from the ANOVA and regression coefficient table where the $F$-statistic 413.862 was greater than the $f$-critical of 3.878 and the $t$-calculated 20.344 which was greater than $t$-critical (1.96), the null hypothesis $H_{01}$: Competitive priorities strategies have no significant influence on the organizational performance of cement manufacturing firms in Kenya was rejected, and the study accepted the alternative hypothesis; $H_{A1}$: competitive priorities strategies have a significant influence on the organizational performance of cement manufacturing firms in Kenya.

Similarly, the results of the study by Sohel and Roger (2013) also indicated that competitive priority, quality had a positive and significant impact of the performance of manufacturing firms as well as decisions on management structures and infrastructures.

**Conclusions**

According to the descriptive results obtained, the study concluded that competitive priorities strategies is an operational strategy that is often utilized by the cement manufacturing firms to improve their organizational performance. This was as a result of the high level of agreement in all statement by most of the respondents. The study also concluded that competitive priorities strategies had a positive and significant relationship with organizational performance of cement manufacturing firms in Kenya. The regression results led to the rejection of the null hypothesis, thus adopting the alternative hypothesis; competitive priorities strategy has a significant influence on organizational performance of cement manufacturing firms in Kenya. Therefore, a unit increase in competitive priorities strategy will lead to an increase in organizational performance by 0.197 units.

**Recommendations**

The study recommended that the management of cement manufacturing firms in Kenya should invest more in automated systems especially in production and delivery so as to increase their production, operational and supply-chain efficiency. They should also invest in better training programs so as to equip their employees with the necessary skills needed to improve their work efficiency. On the other hand, policymakers should also formulate better policies to enhance the competitiveness among manufacturing firms in Kenya.
REFERENCES


